

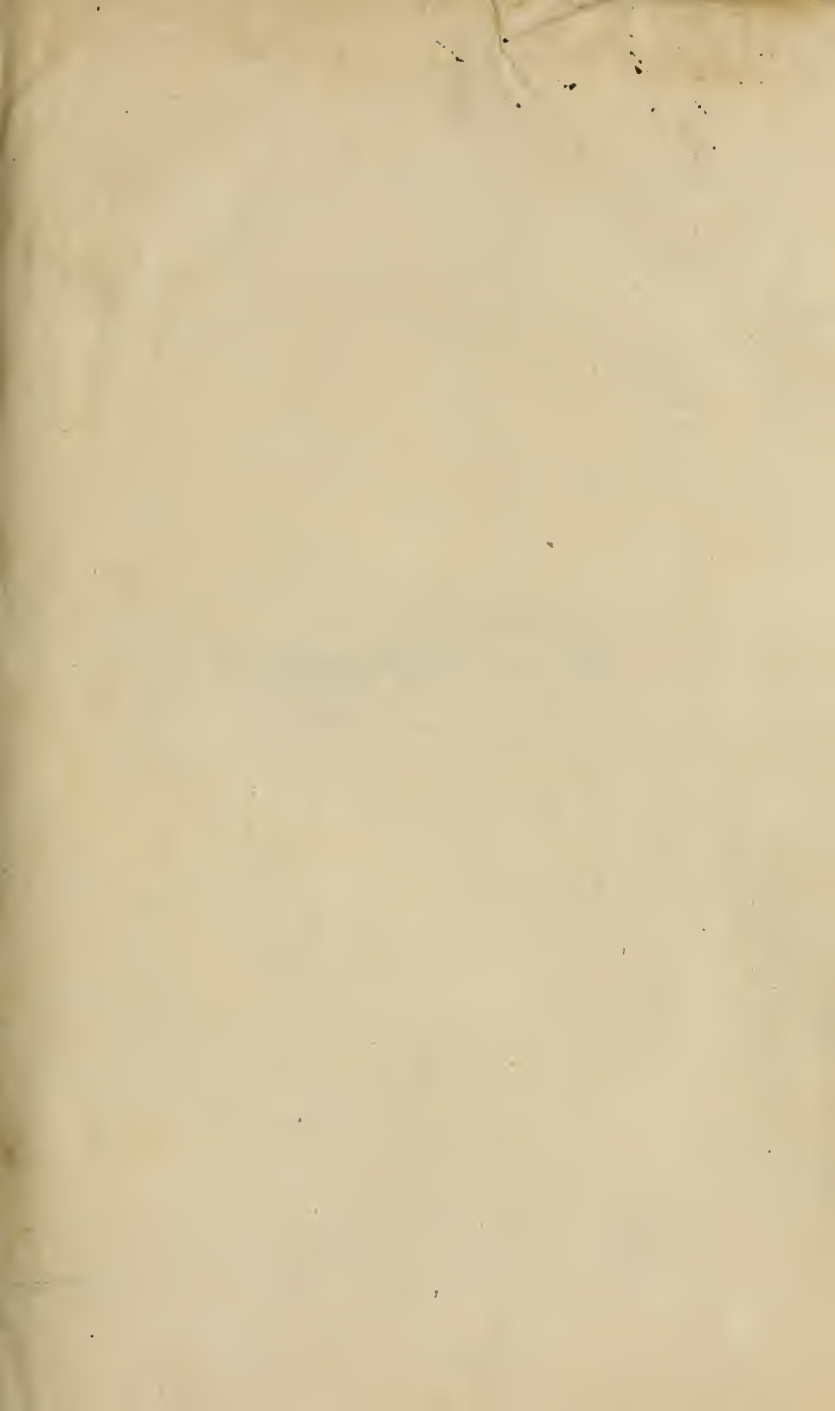


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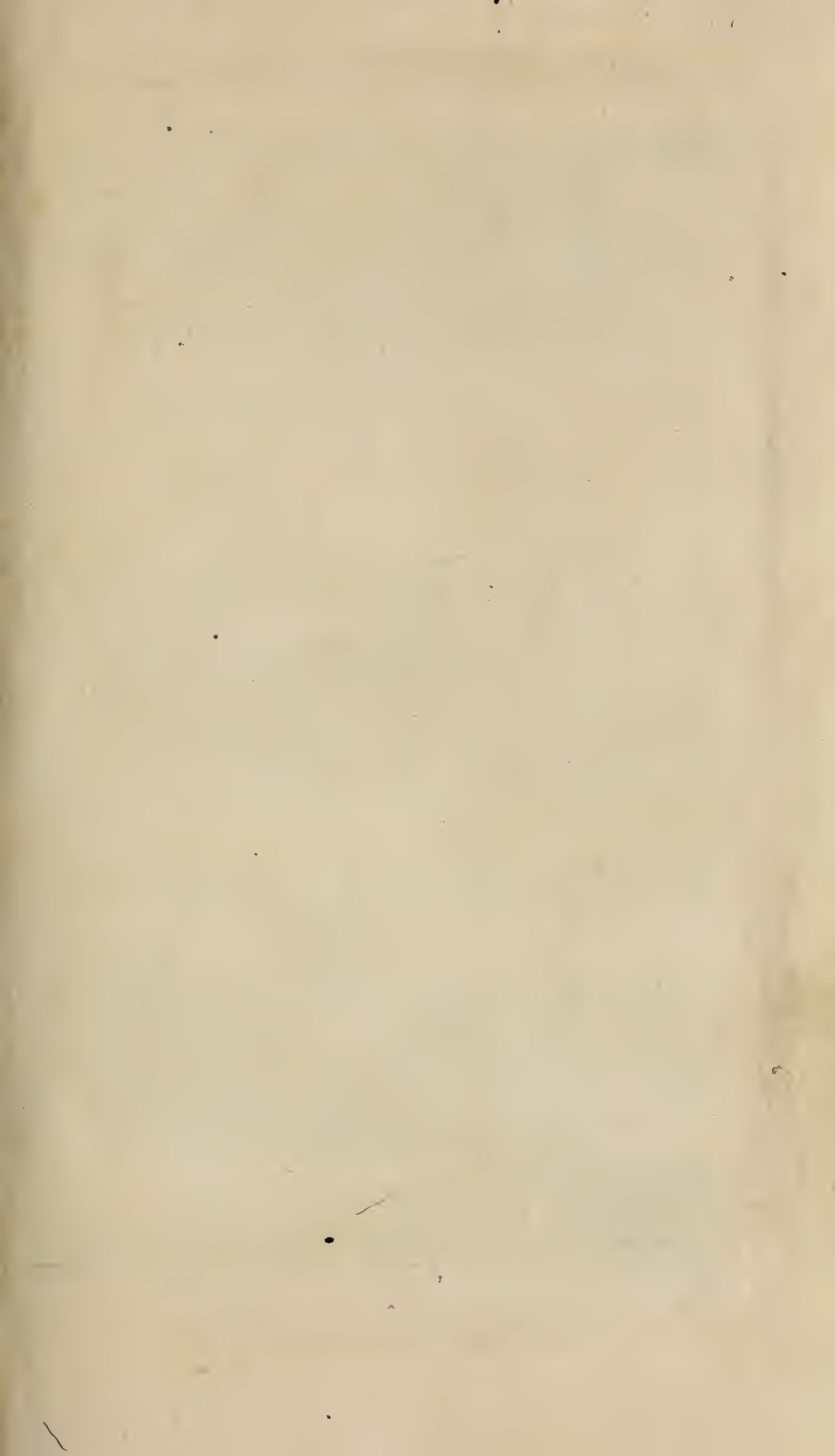


QUEEN'S UNIVERSITY  
AT KINGSTON

KINGSTON ONTARIO CANADA











A  
L E T T E R  
T O

Mr. *L A W*,

Mentioned and Referred to in  
the foregoing LETTER to  
*Cleomenes*.

*S I R*,



F the Method to acquire Fame, is  
to be the Author of the greatest  
and most surprizing Events; or if  
those Persons naturally draw the  
Eyes and Attention of Mankind upon them,  
who have felt the utmost Vicissitudes of For-  
tune, there is not at present in any known  
Part of the World so eminent a Man as  
your self. It is yet little more than a Twelve-  
month since you were the greatest and most  
glorious Subject in *Europe*, beloved and sup-

## xxiv      The Appendix.

ported by a Wise and Powerful Prince, courted and caressed by all the Nobility of *France*, and almost worshipped and adored by the Common People. You are at present forced to fly from the Resentments of those very People, who have more than once attempted your Life; and, after a long Exile, are at Length come back again to *Great Britain*. If her former unkind Usage has not altogether effaced those tender Sentiments every great and good Man feels for that Place to which he owed his Birth and Education, you cannot possibly be unaffected with the present deplorable State of your native Country. You will find our Trade lost, our Credit ruined, our Money in the Hands of the basest Men among us, and the Innocent and Deluded still groaning under the Oppressions of the Wicked and the Insatiable: You will find, that our Destruction was brought upon us by a Set of Wretches, who have committed much higher Crimes than your greatest Adversaries ever accused you of, without being possessed of any one of those great and generous Qualities your most inveterate Enemies are forced to allow you: That these contemptible Fel-

lows



lows have ruined us without so much as the Pretence to any rational Scheme, or one tolerable Design for enlarging Trade and Commerce: That the only Handle they had Sense enough to lay hold on to perpetrate their Villany, was that Spirit your System and Success in *France* had infused into People here; so that, indeed, however distant it might be from your Intentions, you may in one Sense be termed the Author of our Misfortunes. You are not, therefore, to be surprized, if the Undistinguishing and Unfortunate among us look upon you as the immediate Cause of their Calamities and Ruin. Amidst these Prejudices and Passions of the Vulgar, a Pen never yet prostituted to Flattery endeavours to do some Justice to your extraordinary Talents; and 'tis hoped you will excuse this Letter, wrote with a *Liberty* of which we in this Island have still some Footsteps remaining, though you have met with so little of it in Foreign Countries.

EVERY Man who has just Notions of Credit, Trade, and Money, must allow that the first Principles on which your great Scheme was founded, are most of them un-

## xxvi The Appendix.

deniable; but it is pretty well known, that the *Avarice* of some with whom you were forced to comply, and the *Envy* of others who knew the only Way to overthrow the whole Structure, was to make it too large for its Foundation, obliged you, if not to *do*, at least to *suffer* what was equally against both your *Judgment* and *Inclination*. To expect, after this, that you should be answerable for all the Consequences, was as foolish and unreasonable, as if a Merchant should sue the Shipwright who first built and launched his Vessel, for the Damages she afterwards sustained in being run upon a Rock by unskilful Pilots.

WHAT was the Destruction both of the *Mississippi* and *South-Sea* Stock, was their rising to such a monstrous Height; and it is as certain that you foresaw the Consequence, and endeavoured to have stopped the Rise of the former, as it is notorious that our Set of thoughtless and insatiable Managers did every Thing in their Power to encourage that of the latter. This is demonstrable from one plain Matter of Fact. The *Mississippi* Stock was a long while together at above

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1800 *Livres per Cent.* and sold for some Time at 2050 *Livres per Cent.* Notwithstanding which, instead of encouraging the People to believe it really worth what their Madness had mounted it to, you took in but three Subscriptions at 1000 *Livres per Cent.* and bound your self down to take in no more; that is, in other Words, you never pretended to declare, by the Price at which you set your highest Subscriptions, that the Stock was really worth half as much as it actually sold for.

ON the contrary, our *South-Sea* Stock never actually sold for 1000 *l. per Cent.* ready Money. Notwithstanding which, our honest and wise Directors, to perswade People they did not know the Value of it, took in two vast Subscriptions at 1000 *l. per Cent.* each, and had design'd to open a fifth at 1200 *l.*

HOWEVER, therefore, the present Prejudices and Passions of the Weak and Undiscerning may confound Men and Things together, without ever giving themselves the Trouble to make a just Comparison, Poster-

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rity will do you Justice, and make a vast Difference between your wretched Imitators, and the great Original they endeavoured to copy after.

WHEN some future Historian, with a Genius equal to the Work he undertakes, shall in some distant Age arise in *France*, and shall give an Account of all the Prodigies that happened in this wonderful *Æra*, which from henceforth will be the most remarkable of any in the Annals of his Contry; when he shall have judiciously collected, and coolly examined the several Accounts transmitted to him, it is more than probable he will express himself pretty much to the following Purpose.

“ **F**RANCE was now groaning under  
“ the vast Debts contracted during the  
“ Wars of *Lewis the Great*. The Regent,  
“ while he was pursuing with an inflexible  
“ Justice those Men who had pillaged the  
“ Publick, had created himself many Enemies;  
“ and that unhappy Affair of the  
“ *Constitution*, which we have before mentioned,  
“ had sown Jealousies and Divisions  
over



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“ over all the Kingdom. In this Juncture  
“ of Affairs, Mr. *Law* first appeared at  
“ Court, and quickly drew the Attention  
“ not only of *France*, but of all *Europe*, on  
“ himself alone.

“ THIS Gentleman, descended from an an-  
“ cient Family in *Great Britain*, was oblig’d  
“ to fly from his native Country, where he  
“ had been unfortunately successful in a  
“ Duel: His Talents and Genius, which lay  
“ particularly in Figures, gave him a supe-  
“ rior and very uncommon Skill in those  
“ Games, which, though they depend chief-  
“ ly on Calculation, are used by People of  
“ Quality wholly ignorant of it. He had  
“ visited most of the Courts in *Europe*, made  
“ his Observations on their several Forms of  
“ Government, and in particular upon every  
“ Thing relating to the Management of their  
“ Finances. His Person and Address were  
“ graceful and easy; his Way of Thinking  
“ strong and nervous; he spoke our Tongue  
“ perfectly well, and is said to have had a  
“ peculiar Happiness in conveying his own  
“ Notions in their full Strength to those  
“ with whom he conversed. In an Audience  
“ which

## xxx The Appendix.

“ which he obtain’d of the Regent, he assur’d him, That if *France* would exert all that Force Nature had happily furnished her with, she might still retrieve her lost Power and Credit; that the Debts she groaned under might be paid off, and the Revenue put under new Regulations, equally advantageous to the Prince and People. The Duke Regent relish’d his Proposals and Reasons so well, that he encourag’d him to execute the mighty Plan he had formed, and assur’d him of the Royal Protection and Assistance.

“ THE first Step Mr. *Law* took, was, by a voluntary Subscription of himself and his Friends, to establish a Bank, which received and paid considerable Sums for the Government; lent Money at three *per Cent.* discounted Bills, and issued a great Number of Notes payable at Demand. As these Notes were answer’d with the utmost Exactness, the Publick found them so much more convenient than Silver, that they soon came to be 4 or 5 *per Cent.* better than *Specie*; and the Credit of the Bank rose so fast, as not only allarm’d the  
“ Jealousy

“ Jealousy of the *Dutch*, but made them  
 “ resolved to blow it up. To this end, ha-  
 “ ving collected a great Number of Notes,  
 “ they made a Demand upon it in one Day  
 “ of above *Twenty-five Millions*. Mr. *Law*,  
 “ without shewing any Marks of Surprise,  
 “ immediately order’d the Payment of this  
 “ vast Sum all in Pistoles; but when he  
 “ had done so, procured an *Arrêt* to be  
 “ issued the Day following, by which the  
 “ Pistole was reduced from *sixteen* to *fifteen*  
 “ *Livres*. All Men were surpris’d to see  
 “ this *Plot* so dexterously turn’d upon the  
 “ malicious Contrivers of it; and the Design  
 “ that was laid to overthrow the Credit of  
 “ the *Bank* and its *Director*, gained the  
 “ the highest Reputation to both.

“ About the same Time, Mr. *Law*, who  
 “ only intended his Bank for the Foundation  
 “ of something much greater than it self,  
 “ declared his Design of planting a Colony  
 “ in *North America*, in that Country through  
 “ which the River *Mississippi* runs, and from  
 “ whence the Company he then formed took  
 “ its Name: This vast Tract of Land, as is  
 “ now well known, extends it self from the  
 “ Bay

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“ Bay of *Mexico*, quite round the *English*  
“ Plantations, to our Settlement at *Canada*.

“ THE State-Bills, Loans, and other publick Paper Securities, for which People had been prevailed, during the late Wars; to part with their Money, were at this Time so sunk in their Credit, that we are assured they were from 57 to 65 *per Cent.* Discount; yet scarce had Mr. *Law* declared, that he would admit them to be subscribed at *par* into the Stock of his new Company, when so great was the Reputation he had now gained, and so well did his vast Designs suit with the warm and enterprizing Genius of this Nation, that these several Sorts of Publick Securities grew, in an Instant, to be twenty, and even thirty *per Cent.* above *par*.

“ THE *Mississippi Company*, as it was then called, and under which Name it is even in this Age so often mentioned, had pretty early taken upon them the Publick Coinage and Farm of Tobacco: The *East-India Company* was soon after incorporated with them; and now the Credit of the  
“ United



## The Appendix. xxxiii

“ United Companies daily increasing under  
“ the Direction of the most daring Genius  
“ that ever appeared in *France*, they took  
“ upon them the entire Management of the  
“ Royal Revenue: In consideration of which  
“ they not only raised the General Farms  
“ *four Millions* a Year, but, to the Terror  
“ and infinite Astonishment of all our Neigh-  
“ bours, took the whole Debt of the Crown  
“ upon themselves, amounting at that Time  
“ to no less than *fifteen hundred Millions*.

“ THE Stock of the *Mississippi* Company,  
“ instead of sinking under this prodigious  
“ Load, still rose higher and higher every  
“ Day; and the Man who animated and  
“ conducted this whole Scheme was, with  
“ an universal Approbation, made Comp-  
“ troller-General of the Finances. It is  
“ agreed by all the Writers of those Days,  
“ that amidst the most numerous Levées and  
“ greatest Applause that ever attended any  
“ Minister, he never once appeared either  
“ elevated or surprised; and that though he  
“ was daily forming some new and great De-  
“ sign, he dispatched the ordinary Business  
“ of his Post with an inimitable Readiness.

“ The Management of all the Revenues  
“ in *France* was now in his Hands ; when,  
“ instead of exacting the several Duties  
“ with the same Severity the Farmers had  
“ done before him, he took away the *Toll-*  
“ *Bars* at the Entrance of *Paris*, and abo-  
“ lished all those heavy Taxes with which  
“ the Poor were chiefly affected, such as the  
“ Duties upon Flesh, Fish, Fruit, Wine, and  
“ Fuel; in consequence of which, an infinite  
“ Number of Collectors and Toll-gatherers  
“ were discharged as useless. These Actions  
“ render’d him extremely dear to the Com-  
“ mon People, who publickly called him  
“ the *Saviour of France*. He proceeded  
“ to form still greater Designs, to set up se-  
“ veral new Manufactories in the Kingdom ;  
“ and is reported to have had Thoughts of  
“ making a new Canal for Ships of Burthen  
“ from the *Loyer* to the *Seine* ; to have  
“ designed *Roan* for the chief Magazine of  
“ all *France*, and to have built a *new City*  
“ on the other Side of the *Seine*, over-  
“ against the *Old*. His prodigious Reputa-  
“ tion, and the Fame of these Things, gave  
“ no small Alarm to all our Neighbours,  
“ who regarded the rising Greatness of this  
“ King-

“ Kingdom with the utmost Jealousy. It  
 “ is reported, that no less than half a Mil-  
 “ lion of People, including Strangers from  
 “ the remotest Parts of *Europe*, flocked to  
 “ *Paris*, to become Adventurers in a Com-  
 “ pany, which seemed determined to en-  
 “ gross the Riches of the World. This raised  
 “ the Stock to so prodigious an Height, that  
 “ though the Capital was augmented by new  
 “ Subscriptions to *three hundred Millions*,  
 “ it sold at length at *two thousand and fifty*  
 “ *per Cent.* so that those who originally sub-  
 “ scribed a State Bill of *one hundred Livres*,  
 “ which they bought for *thirty-five* or *forty*,  
 “ became clear Gainers of above *two thou-*  
 “ *sand Livres*. We should not venture to  
 “ relate this Fact, which seems so highly in-  
 “ credible *now*, was it not confirmed by  
 “ all the Historians of that Age, and appa-  
 “ rent from several Books of Entries, which  
 “ are to be seen in our Publick Offices even  
 “ at this Day.

“ It is affirmed by many, that the *Comp-*  
 “ *troller-General* was sensible this exces-  
 “ sive Rise of the Stock would prove the  
 “ Destruction of all his Designs; but that

## xxxvi      The Appendix.

“ he was not suffered by some, who had an  
 “ Influence at Court (and who perhaps in  
 “ Secret envied him) to put a timely Check  
 “ to it. The Event justified his Apprehen-  
 “ sions. The first Adventurers began now  
 “ to think of what they called in those  
 “ Days *Reallizing*, that is, of converting  
 “ their prodigious Gains into *Specie*. This  
 “ brought such a Demand upon the *Bank*,  
 “ as it was impossible to answer; to stop  
 “ which, the Government was obliged to  
 “ have Recourse to several extraordinary  
 “ Methods: But as *Force* and *Credit* are in-  
 “ consistent in their Nature, the Remedy  
 “ proved worse than the Disease, and over-  
 “ threw at once the whole Structure. The  
 “ Principles which that great Genius, who  
 “ first erected it, seems chiefly to have acted  
 “ upon, and which it is said he frequently  
 “ used to assert in his particular Conversa-  
 “ tions, were these, that *The Power and*  
 “ *Wealth of a Nation consisted in Numbers*  
 “ *of People*; that *The Number of a People*  
 “ *depended on Trade*; and that *Trade de-*  
 “ *pended on Money*: That *Credit was equal*  
 “ *to Money*; that *Though among Bankers and*  
 “ *Private Traders Credit, well managed, is*  
 “ *worth*



## The Appendix. xxxvii

“ *worth Ten times their Capital Stock, yet*  
“ *that the Credit of a Royal Bank, support-*  
“ *ed by the whole Species of a Kingdom*  
“ *formed into one Great Trading Company,*  
“ *has innumerable Advantages over the for-*  
“ *mer, and may consequently be extended*  
“ *much farther ; that Paper might supply*  
“ *the Place of Silver, and was even better*  
“ *qualified to be used as Money, as it might*  
“ *be made more easy for Delivery, of the*  
“ *same Value in all Places, kept or divided*  
“ *without Loss or Expence, capable of a*  
“ *Stamp, and less liable to be counterfeited;*  
“ *and lastly, that France, if she would exert*  
“ *her whole Strength, and make use of all*  
“ *the Advantages Providence had bestowed*  
“ *upon her, might certainly become the most*  
“ *powerful Kingdom in the World.*

“ *Whether, or no, there is not something*  
“ *in these Maxims more beautiful in Specu-*  
“ *lation, than reducible to Practice ; or*  
“ *whether it were impossible for the most ex-*  
“ *tensive Genius to carry on so many great*  
“ *Designs at once ; or lastly, whether, as*  
“ *most affirm, his Plan was broke in upon,*  
“ *and ruined by the Envy and Ignorance of*

“ other People, we shall not pretend to de-  
“ termine at this Distance of Time. One  
“ Thing is certain, that so specious was his  
“ System, that, even after it had failed here,  
“ it was set up and carried on in *England*  
“ and *Holland* : But as the Managers had  
“ neither the Strength to conduct, nor the  
“ Skill to fit and accommodate it to the dif-  
“ ferent Constitutions of those Countries,  
“ it fell in Pieces sooner there, and proved  
“ much more fatal than with us. The Dis-  
“ solution of this vast Machine put all *France*  
“ in Confusion : Thousands of Families  
“ were naturally involved in the Ruin of it ;  
“ and the People, who always love or hate  
“ in Extrêmes, made several Attempts on  
“ the very Life of that Man, whom they  
“ had a little before adored as the *good Ge-*  
“ *nius of France*. It is agreed by all the  
“ Writers of those Times, that the *Comptrol-*  
“ *ler-General*, as he had never been elevated  
“ with the Applause, was now firm and in-  
“ trepid amidst the Clamours and Threats of  
“ a whole Nation ; and that he daily applied  
“ himself with the utmost Diligence to have  
“ once again mended and set on foot his vast  
“ Plan. The Duke Regent, who knew bet-  
“ ter

“ ter than any Man what Measures the  
 “ *Comptroller-General* had *advised* or *op-*  
 “ *posed*, and who consequently was the *best*,  
 “ and indeed the *only* Judge of his true  
 “ Demerits, with a Resolution worthy the  
 “ Imitation of all Princes who would be  
 “ well served, protected his Minister from  
 “ the Fury of the Populace. He placed a  
 “ Guard about his Person ; and when the  
 “ Tide at last ran too violent against him,  
 “ to be any longer stemmed, gave him pro-  
 “ per Passes, and permitted him to leave  
 “ *France*. Mr. *Law* retired first to *Flan-*  
 “ *ders*, from thence to *Venice*, *Hambourg*,  
 “ and *Copenhagen*, and, last of all, to his na-  
 “ tive Country *Great Britain*, where \* \*

\* \* \* \* \*  
 \* \* \* \* \*  
 \* \* \* \* \*  
 \* \* \* \* \*

You alone, Sir, can determine in what  
 Manner this future Historian shall conclude  
 a Narration, which Posterity will never think  
 too long or particular, as it will give them  
 an Account of the most *surprising* and *re-*  
*markable Event* in all his History. It is

scarce probable, that your extensive Genius should lie altogether idle and unactive ; yet should you offer any Thing here, you are to expect it will be opposed by *Prejudice* on one hand, and a much more dangerous Enemy on the other, namely, The *Envy* of those who have passed among us, for some Time, for *Men of Business*, meerly from a *superficial* Way of *prating* on those Subjects you are so truly a Master of. It is evident, that under whatever Government you shall chuse to live, you are capable of being a most *useful* or *hurtful* Subject. That you may prove the *former* to *Great Britain*, if you intend to reside among us, is the hearty Wish of,

London,

Nov. 11.

1721.

S I R, &c.









